



Norfund finances Zimbabwe's leading peanut butter and jam producer

Harare, 10th August 2016

The Norwegian Investment Fund for Developing Countries, Norfund, has invested USD 2 million in Associated Foods Zimbabwe Ltd (AFZ), Zimbabwe's leading producer of peanut butter, jam spreads, as well as canned tomatoes and fruits, and nut savouries.

AFZ was established on 1 January 2016, as a result of a merger between Honeywood Enterprises (Pvt) Ltd, Zimbabwe's leading producer of jams, mainly under the "*Farm Gold*" brand, and Spread Valley (Pvt) Ltd, Zimbabwe's leading producer of peanut butter, mainly under the "*Mama's*" brand.

In addition to part-financing this merger, Norfund's investment will contribute towards capital expenditure, including a new state-of-the-art peanut butter production line, and working capital. Production will be consolidated at AFZ's Vumba factory. The existing AFZ management team, headed by MD Brian Fearon, will remain in charge of the company and will pursue the group's strategy of growing its local market share as well as exploring regional expansion, under the same leading brands. The company's board will be chaired by Chris Amira.

Norfund's investment will also contribute to supporting the local food processing sector in Zimbabwe by replacing imports with local produce. One of the strategies of doing so is by expanding on AFZ's local raw material sourcing via out-grower schemes. This will result in increased employment throughout the agribusiness value chain in Zimbabwe - from small holder farmers to the consumer.

"By combining the manufacturing strengths of Honeywood Enterprises with the sales, marketing and distribution strengths of Spread Valley, we aim to create the economies of scale and synergies in order to generate significant added value and efficiencies for all stakeholders, including customers. We are pleased to have found in Norfund a first-class partner with a deep understanding of the food and agribusiness sector, strong track-record and a well-rounded international network." commented Simba Nyabadza, AFZ Director and majority shareholder.

"This investment is in line with Norfund's strategy to support profitable and sustainable, local enterprises in developing countries. Agriculture is a priority sector for Norfund, as it employs approximately half of Africa's workforce and plays an important role for economic growth and development. We look forward to being an active, strategic minority investor in AFZ with a long term perspective." added Chishamiso Mawoyo, an Investment Manager in Norfund's Food and Agribusiness department.

About Norfund

Norfund is the Norwegian Investment Fund for Developing Countries. Established by the Norwegian Parliament in 1997, the organisation is the government's main instrument for combatting poverty through private sector development. Norfund's objective is to contribute to sustainable commercial businesses in developing countries. Funding is provided via capital allocations from Norfund's development assistance budget. Norfund provides equity, other risk capital, and loans to companies in selected countries in Southern, Eastern and Western Africa, South-East Asia and Central America. With a portfolio of USD 1.8bn, Norfund invests in three main sectors: clean energy, financial institutions and agribusiness, in addition to small and medium sized companies through third-party investment funds. Further details on Norfund can be found at: www.norfund.no

About AFZ

AFZ, a fully indigenised entity, was established on 1 January 2016, as a result of a merger between Honeywood Enterprises (Pvt) Ltd (formerly owned by Rob Haden Tebb and his family), Zimbabwe's leading producer of jams, marmalades, breakfast spreads, canned tomatoes and fruits as well as Tomato pizza base under the "Farm Gold" brand, and Spread Valley (Pvt) Ltd (formerly owned by Simba Nyabadza and his Family) Zimbabwe's leading producer of peanut butter and nuts savouries, mainly under the "Mama's" and "Sunbird" brands respectively. Further details on AFZ can be found at: www.newmamas.net.

For further information, please contact:

AFZ:

- Mr Simba Nyabadza, simba@zimap.net, +263 772 296 111; or
- Mr Rob Haden Tebb, rob@zimap.net, +263 772 232 437

Norfund:

- Ms Inger B-A Nygaard, Communication Manager, inger.nygaard@norfund.no, +47 47701248
- Mr Chishamiso Mawoyo, Investment Manager, chishamiso.mawoyo@norfund.no, +258 843032422